

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

**between:**

**Larry & Michael Katz  
As represented by  
Cushman & Wakefield Property Tax Services  
COMPLAINANT**

**and**

**The City Of Calgary, RESPONDENT**

**before:**

**J. Acker, PRESIDING OFFICER  
D. Julien, MEMBER  
J. Pratt, MEMBER**

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>088126800</b>
<b>LOCATION ADDRESS:</b>	<b>4810 16 Street SW</b>
<b>HEARING NUMBER:</b>	<b>63728</b>
<b>ASSESSMENT:</b>	<b>\$ 1,050,000</b>

This complaint was heard on 24<sup>th</sup> day of August, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- Jan Goresht

Appeared on behalf of the Respondent:

- Mike Ryan

**Property Description:**

The subject is a six unit strip shopping centre of 5800 square feet located on a parcel of 15,733 sq ft in the Altadore neighbourhood of the City of Calgary. The subject improvement is 48 years old and the assessment was prepared on a land value only basis as the improvement is not deemed to add value to the property.

**Issues:**

1. The vacant land value applied by the assessor is in excess of the market value of the subject.

**Complainant's Requested Value:** \$ 900,000

**Board's Decision in Respect of Each Matter or Issue:**

1. There is insufficient evidence or argument to disturb the land only valuation applied by the assessor.

**Board's Decision:**

The Complainant provided the Board with a post facto independent appraisal prepared by Emanuel Cohen of Elford Appraisal & Consulting Services Ltd. for the property owner. The Board noted that the appraiser stated that the only use of this appraisal was for internal business purposes and the formation of a family trust – and that it was post facto (October 24, 2010) of the assessment date of July 1, 2010.

The appraisal report provided estimates of value based upon two approaches; the Income Approach and the Direct Sales Comparison Approach. In the income approach, the appraiser offered 4 comparable properties to demonstrate net lease rates ranging from \$7.50 to \$18.00 per square foot supporting his achieved rate of \$17.66. He applied estimated or reported operational costs of the comparable properties to produce a range of \$5.00 to \$15.00. He then applied a CAP rate of 8% supported by 6 indicators of industrial properties to produce an indicated property value of \$896,000.

In the direct sales comparison approach, the appraiser utilized 4 comparable sales to indicate a value of \$920,000.

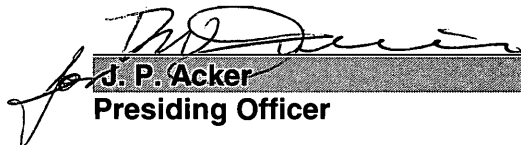
The Respondent provided a detailed rebuttal of the Complainant's evidence and argument and provided comparable lease, sales and CAP rate information in support of the typical values applied for this business district by the City of Calgary.

The Board, in reviewing the evidence and testimony, found insufficient support for the lease rates, operational costs or CAP rate applied in the Complainant's comparables supplied. The CAP rate for industrial properties is not indicative of that which should apply to retail strip malls. The operational cost estimates for the comparable properties were unsupported by any additional data, and the lease rates did not demonstrate similarity with the subject.

In the direct sales comparison approach, the Complainant's comparable properties had very significant adjustments applied to bring them into similarity with the subject and the Board, having no supporting information as to how these adjustments had been applied, gave little weight to this evidence.

Accordingly, in the absence of sufficient evidence, the board will not disturb the assessment as rendered and confirms the assessment at \$1,050,000.

DATED AT THE CITY OF CALGARY THIS 31<sup>st</sup> DAY OF AUGUST 2011.

  
J. P. Acker  
Presiding Officer

**APPENDIX "A"**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

*An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.*

*Any of the following may appeal the decision of an assessment review board:*

- (a) the Complainant;*
- (b) an assessed person, other than the Complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

*An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to*

- (a) the assessment review board, and*
- (b) any other persons as the judge directs.*